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October 26, 2011

The Honorable Randy Richardville
Senate Majority Leader
Post Office Box 30036
Lansing, Michigan 48909

The Honorable Jack Brandenburg
Chair, Senate Committee on Finance
Post Office Box 30036
Lansing, Michigan 48909

The Honorable Jase Bolger
Speaker of the House
Post Office Box 30014
Lansing, Michigan 48909

The Honorable Jud Gilbert
Chair, House Tax Policy Committee
Post Office Box 30014
Lansing, Michigan 48909

Dear Gentlemen:

The Michigan Association of Certified Public Accountants (MACPA) is comprised of nearly 18,000 members – representing every corner of Michigan's economic marketplace. Likely the most diverse professional association in Michigan, the MACPA takes an official position on only a limited number of non-occupational issues of importance to the accounting profession and the public. Most tax policy proposals do not qualify. This affords the MACPA the unique ability to provide truly independent, objective technical observation and analysis.

It is under the umbrella of clarity in tax statutes that we wanted to call your attention to ambiguous language within the *General Sales Tax Act* and *Use Tax Act* related to the taxability of charges for the right to access "pre written computer software" installed on another party's computer. We understand that a legislative effort is currently underway to amend these two statutes (Senate Bills 335 and 336), and while we take no official position in regards to the specific legislative proposals or the taxability of charges for the right to access prewritten software, the current law is not clear and ad this proposed legislation appears to be effective as one of the potential alternatives for clarifying these ambiguities.

Thank you for the opportunity to provide this observation. If we can provide you with further information or answer any questions regarding the content of this letter, or if we can be of assistance to you in any other way, please contact MACPA Vice President of Government Relations John Lindley at 517.449.0487 or jlindley@michcpa.org.

Sincerely,

Bernard D. "B.D." Copping, CPA
Chair, State & Local Tax Task Force

David M. Barrons, CPA
Vice Chair, State & Local Tax Task Force

Cc: Thomas J. Hoisington, President – Public Affairs Associates